

PROCUREMENT MANAGEMENT STAFF
ITEMS FOR DCI'S ANNUAL REPORT TO CONGRESS

1. Executive Order 12333, entitled U.S. Intelligence Activities, was reviewed in depth by the Office of Logistics, and direction was issued to CIA contracting elements to include new language in their contracts which would ensure compliance with the Executive Order.
2. The Prompt Payment Act of 1982, PL 97-177, has required significant changes in CIA contracting and payment procedures during the past fiscal year. During FY 1983, the procedures established noted sharp improvement in CIA management of payments to contractors.
3. During FY 1983, CIA provided briefings on its contracting procedures to the National Security Agency, the Federal Emergency Management Agency, and to the U.S. Postal Service. These briefings resulted in two-way interchanges of information which have been mutually advantageous.
4. Executive Order 12352 which deals with procurement reform and was issued in March 1982 was initiated during FY 1983 with adoption of the model charter attached to the Executive Order and inclusion of this model charter in the mission and function statement for CIA's procurement executive.
5. Increased levels of foreign investment in domestic corporations continues to be a problem for CIA. In FY 1982, a policy was established that only domestic-source automatic data processing equipment would be procured. During FY 1983, CIA has expanded this policy to include all contractors providing supplies and services to the Agency. A panel has been established which attempts to evaluate whether foreign ownership, control, or influence exists in a CIA contractor to an extent that CIA's interests could be compromised. If such a situation exists, then the Agency will not contract, except in the most critical situation, with the contractor.
6. CIA is currently circulating for comment a proposed Headquarters regulation on contracting with former employees. In essence, the proposed regulation would require DCI approval to contract with a former Agency staffer on a sole-source basis for a period of 2 years after the staffer leaves CIA employment.